

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

SB 3164 - HB 3717

February 8, 2010

SUMMARY OF BILL: Broadens the definition of a “Medicare supplement policy” to include a policy issued as a supplement to reimbursements for medical, hospital, or surgical expenses of a person who is under 65 year of age and is unable to receive Medicare due to disabilities.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures - \$1,500/One-Time

Potential Impact on Health Insurance Premiums (required by Tenn. Code Ann. § 3-2-111): Such legislation would result in an increase in the cost of health insurance premiums by an amount which exceeds \$100,000 for Medicare supplement plans that do not currently offer coverage to individuals under the age of 65 who are unable to receive Medicare due to disabilities.

Assumptions:

- The Department of Commerce and Insurance would review Medicare supplement policies to ensure that carriers selling these policies were making them available to persons under age 65 who are unable to receive Medicare due to disabilities.
- The Department will notify 500 insurance companies by certified mail at a cost of \$3 per mailing resulting in an increase in one-time expenditures of \$1,500.
- Insurance companies will file revised rates and forms resulting in a not significant increase in expenditures. Any cost incurred to review the rates and forms can be accommodated within existing resources without an increased appropriation or reduced reversion.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is written in a cursive style with a large, stylized "J" and "W".

James W. White, Executive Director

/kml